

Auctions for GO in France

Energy Community Webinar

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Registry Services offered by EEX Group

EEX provides registry services for White Certificates, Capacity Certificates and Guarantees of Origin (GoOs) on behalf of the French State, as well as GoO auctions.

Grexel provides platforms for power GoO registries in 11 countries in Europe, Biomethane Guarantees of Origin registries in 4 countries and registries for CO₂.



Registries have become a key component for markets as they allow for the secure and transparent tracking of ownership of instruments such as GoOs, energy saving certificates or emission allowances.

EEX Group operates registries in **13 countries in Europe**

More than 12,000 account holders are connected to the EEX Group registries

12 TWh of French GoOs have been sold through auctions in 2019

EEX responsible of the GO activity in France

Role of EEX as registry and auction operator

- **Issuing Body in France since 2013**
 - Designated by the French Ministry of Energy (DG Energy and Climate) and renewed end of 2018 for 5 years
 - Hold the registry for renewable GOs and CHP GOs in France (issuance, transfer, cancellation of GOs)

- **Member of the Association of Issuing Bodies (AIB) since 2013**
 - French GOs can be exported to AIB members domain and French account holders could import GO
 - EEX takes part actively in the development of the mechanism at an European level
 - GOs issued by EEX meet the EECS standard

- **Progressive improvement of the mechanism thanks to a close collaboration with the French Ministry of Energy**
 - GO: the only instrument to trace electricity from renewable energies
 - Implementation of the residual mix to better inform customer and avoid green attributes double counting
 - More control on GOs issuance, transfer & cancellation
 - Monthly matching of production and consumption months

- **Mandated by the French State to organize the GO auction**
 - Auction of GOs issued and selected by the French State (GO from subsidized production devices)
 - EEX is organizing auctions since September 2019

Changes in law implemented in 2019

Changes to organize auctions

1. All renewable **production devices benefiting public support** for production and with an **installed capacity above 100 kW** should be registered on the French GO registry (on the account of the French State)
2. The concerned producers are allowed to **issue GOs on their own account** during the 2 months following a specific production period of 1 month. If so, **the feed in tariff or market premium contract is cancelled**
3. If the **producer doesn't issue** the GOs (which is normally the case), the **French State may issue them, and sell them** through auctions
4. The **revenues from the auctions are affected to a special fund** for the energy transition in France

→ Those **changes in law allow:**

- a) An access to GOs issued by more recent production devices
- b) A diversity in products available in the market: especially wind and solar
- c) Up to 50 TWh of additional GOs each year on the European market

Renewable power production in France

New possibility to source GO

Free market



500

Production devices without public support are registered at EEX

20 GW

Installed capacity

44 TWh

GOs issued in 2019 and 96% come from hydro



Auctioned by the French State



11k

Production devices receiving public support and > 100 kW

22 GW

Installed capacity

up to **50 TWh**

Volume of GOs that could be issued from mainly wind, solar & small hydro

GO auction

Auction characteristics

1. **Up to 60 products** - 12 French regions and 5 technologies (solar, wind onshore, hydro, thermal, marine)
2. **Monthly Auction**
3. **Production of month M is auctioned on month M+3**
A list of auctioned GOs is published before the auction
4. **A single vendor, the French State**
Multiple buyers
5. **Pay-as-Bid Auction**
+ floor price communicated to the market and defined by the French State.
6. **Very flexible and robust tailor-made algorithm**
Possibility to make different kind of orders (region, technology, production device).
Possibility to mass import order via order file
7. **Delivery and payment processes secured by our clearing house ECC**

Why does EEX develop a trading system ?

Price / Volume

Region /
Technology

Preferences

An algorithm has been designed in order to:

1. **Maximize the revenues dedicated to the energy transition**
 - a) price is the main criteria

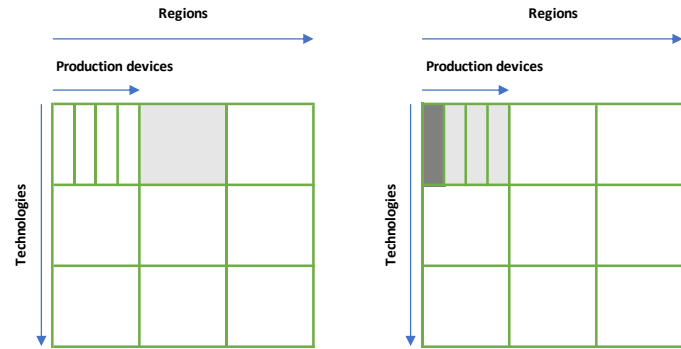
2. **Market participants flexibility**
 - a) Possibility to select multiple orders
 - b) Possibility to specify all GOs, only technology or only a region or a couple of both
 - c) Possibility to select production devices

3. **Increase competition and ensure equity between participants**
 - a) All orders competing
 - b) In case of equivalent bids : allocation with a pro rata of the initial asked volume

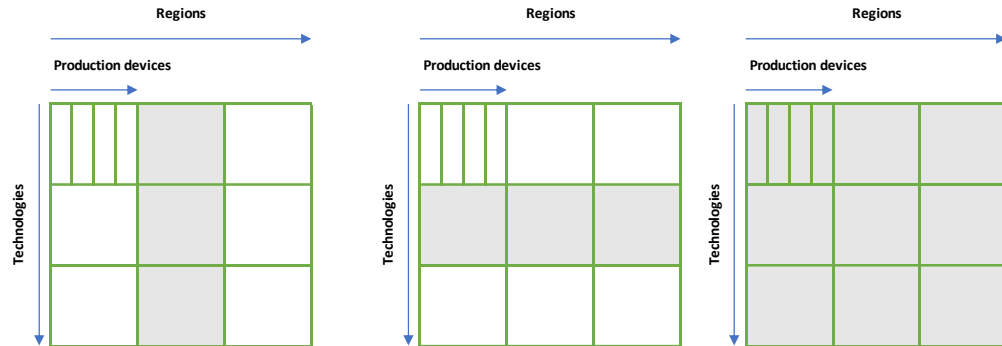
Different kind of orders

- **Simple orders**

- **Specific simple orders:** volume/price concerning a pairing of region/technology + expression of preference for particular devices will be possible



- **Generic simple orders:** volume/price concerning a whole region, a whole technology, or all regions and all technologies



- **Multiple Orders**

- Combination of simple orders with **different prices, but all for the same volume.**

Overview on Auction Process



GOs published on the EEX Auction Platform

10:00 CET Process begins



10:00 CET Order reception Gate Closure

Payment & Delivery

- ECC proceeds to settlement of invoices with clearing banks
- EEX allocates Guarantees of Origin to members on the registry according to auction results
- Transaction / transfers have to be approved by receiving party

Cash Deposit on ECC account
OR
Cash Deposit on Clearing Banks



16:00 CET Gate closure



16:00 CET Gate closure

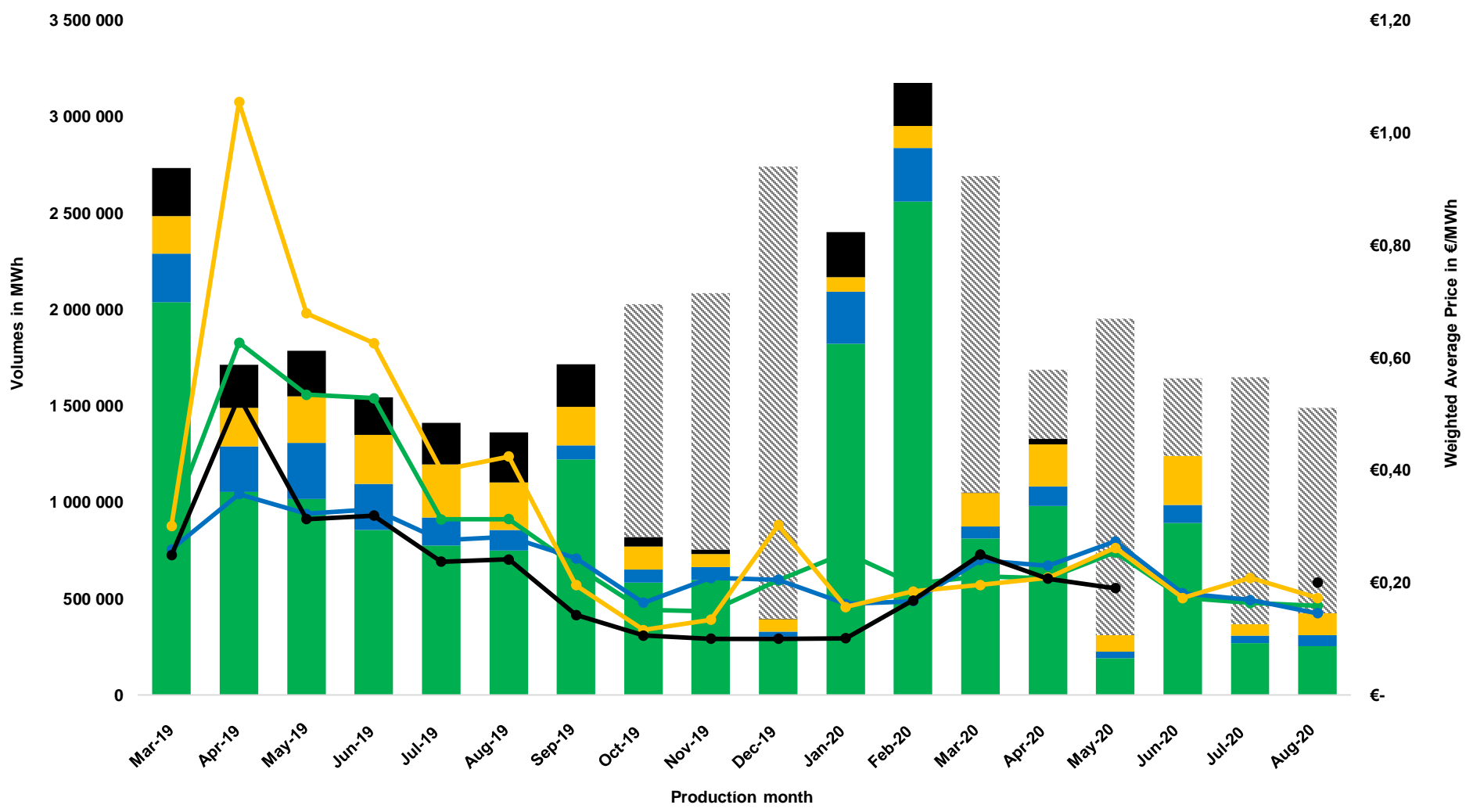
ECC sends daily cash limits to EEX

Auction 12:00 CET

Publication of Results

GO auction results

More than one year of auctions



Thank you for your attention

**If you have any question, please contact me or
go-support@EEX.com**